

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Pacific Gas and Electric Company Annual Earnings Assessment Proceeding (AEAP) for Approval of Energy Efficiency Shareholder Incentives for 2000 Program Year Accomplishments, 2000 Accomplishments for Pre-1998 Programs, Second Claim for Incentives for the 1999 Accomplishments for Pre-1998 Programs, and Third Claim for Incentives for the 1996 Program Year Accomplishments.

Application 01-05-003
(Filed May 1, 2001)

In the Matter of the Application of Southern California Edison Company For Approval of Energy Efficiency and Low Income Energy Efficiency Performance Incentives for 2000 Program Year Accomplishments, the Second Installment of Demand-Side Management and Low Income Shareholder Incentives for the 1999 Program Year, and the Third Installment of Demand-Side Management Shareholder Incentives for the 1996 Program Year. (U 338-E)

Application 01-05-009
(Filed May 1, 2001)

In the Matter of the Application of Southern California Gas Company For Authority to increase its Gas Revenue Requirements to Reflect its Accomplishments for Demand-Side Management Program Years 1996 and 1997, Energy Efficiency Program Year 2000, and Low-Income Program Years 1999 and 2000 in the 2001 Annual Earnings Assessment Proceeding ("AEAP"). (U 904-G)

Application 01-05-017
(Filed May 1, 2001)

In the Matter of the Application of San Diego Gas & Electric Company For Approval of Incentives Associated with Its Accomplishments for Demand-Side Management Program Year 1996, Energy Efficiency Program Year 2000, Low Income Program Years 1999 and 2000 in the 2001 Annual Earnings Assessment Proceeding (AEAP).	Application 01-05-018 (Filed May 1, 2001)
In the Matter of the Application of Southern California Gas Company (U904G) for Authority to increase its Gas Revenue Requirements to Reflect its Accomplishments for Demand-Side Management Program Years 1995 and 1997, Energy Efficiency Program Year 1999, and Low-Income Program Years 1998 and 1999 in the 2000 Annual Earnings Assessment Proceeding ("AEAP").	Application 00-05-002 (Filed May 1, 2000)
In the Matter of the Application of San Diego Gas & Electric Company for Approval of Incentives Associated With its Accomplishments for Demand-Side Management Program Year 1995, Energy Efficiency Program Year 1999, and Low Income Program Years 1998 and 1999 in the 2000 Annual Earnings Assessment Proceeding ("AEAP"). (U 902-M)	Application 00-05-003 (Filed May 1, 2000)
In the Matter of the Application of Annual Earnings Assessment Proceeding (AEAP) of Pacific Gas and Electric Company for Approval of Energy Efficiency Shareholder Incentives for 1999 Program Year Accomplishments, 1999 Accomplishments for Pre-1998 Programs, Second Claim for Incentives for 1998 Accomplishments for Pre-1998 Programs, and Third Claim for Incentives for the 1995 Program Year Accomplishments. (U 39 M)	Application 00-05-004 (Filed May 1, 2000)

In the Matter of the Application of SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) for Approval of Energy Efficiency and Low Income Energy Efficiency Performance Incentives for 1999 Program Year Accomplishment, the Second Installment of Demand-Side Management Shareholder Incentives for the 1995 Program Year.

Application 00-05-005
(Filed May 1, 2000)

ADMINISTRATIVE LAW JUDGE'S RULING

In response to a March 13, 2002 Administrative Law Judge (ALJ) ruling requesting the Office of Ratepayer Advocates (ORA) and other interested parties to file a proposed workplan and schedule for additional verification of milestone programs under the scope of review set forth in the assigned Commissioner's previous scoping memos, one party, ORA, filed the following proposed workplan on April 3, 2002:

A. Verification of Reported Costs, Benefits and Shareholder Earnings Claims for Post 1997 Energy Efficiency Programs

- (1) Verification (paper review) of cost-effectiveness calculations for all Program Administrators' portfolios, including conformance with cost-effectiveness policy rules for Program Years 1999, 2000, and 2001.
- (2) Verification (paper review) of shareholder earnings claim calculations associated with Milestones for Program Years 1999, 2000, and 2001.
- (3) Verification of workpapers and other documentation provided by program administrators to assess the reasonableness of earnings amounts associated with each Milestone for each program administrator for Program Years 1999, 2000, and 2001.

- (4) Onsite visits for a sample of participants in PY 2001 nonresidential programs in at least two of the four Program Administrators service territories.
- (5) Complete report on results of onsite visits for the Southern California Edison Company (SCE) program for PY 2000 and Southern California Gas Company (SCG) for PY 1999.
- (6) Verification of conformance with key policy rules, including cost-effectiveness, ESCO/EESP market share, after accounting for any ORA recommended adjustments to reported costs or benefits for each Program Year (1999, 2000, and 2001) for each Program Administrator.

B. Review of Low Income Program Incentive Payments

A review and verification of the reasonableness of the Program Administrators earnings claim and reported costs and benefits, and conformance with the adopted shareholder earnings mechanisms for the Low Income Energy Efficiency (LIEE) program, for Program Years 1999, 2000, and 2001.¹

C. Verification of Reported Costs, Benefits and Shareholder Earnings Claims for Pre-1998 Energy Efficiency Programs

ORA states it will include a report on any additional verification it performs of reported costs and benefits and shareholder earnings amounts associated with pre-1998 funds. It expects this will be limited to PG&E's reported costs, benefits, and earnings claim amounts from one "Powersaving" project and that this verification activity will most likely include an on-site visit.

The March 13 ALJ ruling also requested all interested parties to comment on whether the Commission should reopen Rulemaking

(R.) 91-08-003/Investigation (I.) 91-08-002 to modify the incentive mechanism

¹ In its comments, ORA characterizes this as a "cursory" review. In its August 23 testimony, ORA should address what further review could be done and a discussion on whether it believes any further review to be warranted.

adopted in Decision 94-10-059 for the pre-1998 Demand Side Management (DSM) shareholder incentives before us in this proceeding and in future Annual Earnings Assessment Proceedings (AEAPs). On March 29, 2002, comments were filed by applicants Pacific Gas and Electric Company (PG&E), San Diego Gas and Electric Company (SDG&E) and SCG (jointly), and SCE, and the following parties: the California Energy Commission (CEC), the Natural Resources Defense Council (NRDC), ORA, The Utility Reform Network (TURN), and Women's Energy Matters (WEM). On April 12, 2002, reply comments were filed by the four applicants, NRDC, and TURN.

The comments regarding whether the Commission should reopen R.91-08-003/I.91-08-002 merit careful consideration. Therefore, this issue will be separately addressed in a later ruling by the undersigned ALJ and the Assigned Commissioner.

Therefore, **IT IS RULED** that:

1. Testimony from ORA on the workplan it proposed in its April 3, 2002 comments shall be served on August 23, 2002.
2. Responsive testimony to ORA shall be served on September 7, 2002.
3. This ruling shall be served on the service list of R.91-08-003/I.91-08-002.

Dated April 26, 2002, at San Francisco, California.

/s/ CHRISTINE M. WALWYN

Christine M. Walwyn
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling on all parties of record in this proceeding or their attorneys of record and R.91-08-003/I.91-08-002.

Dated April 26, 2002, at San Francisco, California.

/s/ ERLINDA PULMANO

Erlinda Pulmano

N O T I C E

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